STATE OF MICHIGAN

DEPARTMENT OF LABOR & ECONOMIC GROWTH

OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of Financial and Insurance Regulation

In the matter of

XXXXX
Petitioner **File No. 86968-001**

v

Golden Rule Insurance Company
Respondent
_____/

Issued and entered
this 12th day of May 2008
by Ken Ross
Commissioner

ORDER

I
PROCEDURAL BACKGROUND

On January 2, 2008, **XXXXX** (Petitioner) filed a request for external review with the Commissioner of Financial and Insurance Regulation under the Patient's Right to Independent Review Act MCL 550.1901 *et seq.*

Following the request for external review, the Golden Rule Insurance Company was asked to respond to the Petitioner's complaint through its internal grievance process and issue a final determination. Golden Rule issued a final determination dated February 25, 2008, and on April 3, 2008, the Commissioner accepted the request for external review.

The issue in this matter can be resolved by analyzing Golden Rule's certificate of coverage (the certificate), the contract defining the Petitioner's health coverage. It is not necessary to obtain a medical opinion from an independent review organization. The Commissioner reviews contractual issues under MCL 500.1911(7).

II
FACTUAL BACKGROUND

The Petitioner has health care coverage under an individually underwritten high deductible plan with Golden Rule that was effective July 28, 2007.

On September 25, 2007, Petitioner received services from **XXXXX** and William Beaumont Hospital (Beaumont). Golden Rule denied coverage for some of the services on the basis that they were excluded under the terms of her coverage.

The Petitioner appealed the denial through Golden Rule's internal grievance process and received its final adverse determination dated February 25, 2008.

III
ISSUE

Is Golden Rule correct in denying coverage for Petitioner's office visits under the terms of the certificate?

IV
ANALYSIS

Petitioner's Argument

The Petitioner went to **XXXXX** on September 25, 2007, for a routine physical examination and her doctor recommended some additional tests (urinalysis, Pap smear, and electrocardiogram). Golden Rule covered the tests but not the physical examination. The Petitioner also had a pelvic ultrasound and other services at Beaumont on the same date. Both the facility and professional charges for Beaumont were denied by Golden Rule.

The Petitioner says she was not aware that she could not have routine health care services under her contract with Golden Rule, and was never advised by her insurance agent that there was a waiting period for some services. She also says she was not advised that she had to call Golden Rule before going to the doctor. Because she did not have any pre-existing conditions, she does not think her claims should be denied on that basis.

Golden Rule's Argument

Regarding the Petitioner's physical examination at **XXXXX**, Golden Rule explained its decision to deny coverage in its final adverse determination:

> The charge billed in the amount of $150.00 by **XXXXX** was billed with a Current Procedural Terminology code of 99396 (Preventive.Med.Exam.Establ;40-64YR). This code is denied as it does not meet the requirements for benefits under the Optional Preventative Care Expenses Benefits. This benefit requires an insured to be covered on this policy for at least 12 months before the benefit is effective.

Under "Optional Preventive Care Expense Benefits," the certificate says (page 18):

> When provided to a *qualifying covered person* as defined below, *covered expenses* under the Medical Benefits provision will include expenses for routine physical exams, including laboratory services. These *covered expenses* are limited to $300 per *covered person* per calendar year and will be exempt from any *deductible amount* after satisfaction of the applicable *copayment amount* shown in Section I.
>
> For the purposes of this provision:
>
> "Qualifying covered person" means a covered person:
>
> (A) Who is at least 19 years of age; and
> (B) Who is covered under a certificate which has been in force for at least 12 continuous months.

Since the Petitioner had been covered under the certificate for less than two months at the time of her physical examination on September 25, 2007, Golden Rule denied coverage.

For the Petitioner's services at Beaumont, Golden Rule said in the final adverse determination:

> The services provided by William Beaumont Hospital were billed with the diagnosis code of 626.4 (Irregular Menstruation). The diagnosis is a disorder of the reproductive organs and there is 6 month waiting period for disorder of the reproductive organs.

Golden Rule points to this provision in the "General Exclusions and Limitations" section of the certificate (page 27):

> There is a six-month waiting period for certain conditions.

> Expenses incurred by a covered person for the treatment of tonsils, adenoids, middle ear disorders, hemorrhoids, hernia or any disorders of the reproductive organs will not be covered during the covered person's first six months of coverage under the policy. This exclusion will not apply if the treatment is provided on an emergency basis.

Because the Petitioner's services at Beaumont were for irregular menstruation, a disorder of the reproductive organs, and occurred during the first six months after the effective date of the certificate, Golden Rule did not cover them.

Golden Rule believes that its denial of coverage for services provided by **XXXXX** and Beaumont on September 25, 2007, was appropriate.

Commissioner's Analysis

The Petitioner does not really dispute Golden Rules' interpretation or application of the terms of the certificate. She expressed the essence of her complaint in her March 9, 2008, letter to the Office of Financial and Insurance Regulation:

> [W]hen I met my insurance advisor…he suggested for me to try Golden Rule for my health coverage and I trusted his opinion. When he signed me up he neglected to tell me that Golden Rule had all these clauses in their policy. I did not know I had a 6 month waiting period to use their insurance for a physical. This is not right that this is in their policy. Telling me to wait 6 months? Especially when I have no pre-existing condition. I do not know when I am going to be sick and what my doctor will have to order.

Golden Rule has included a 12-month waiting period for routine examinations and a six-month waiting period for disorders of the reproductive organs in its certificate. Under Michigan law, those limitations are permitted in individually underwritten health care policies. It is unfortunate that the Petitioner was unaware of the specific provisions of her coverage when she chose Golden Rule as her health insurance carrier. Nevertheless, the Commissioner can find no basis in the plain language of the certificate to overturn Golden Rule's processing of the claims in this case.

Therefore, the Commissioner finds that Golden Rule's denial of coverage for certain services on September 25, 2007, was correct and permissible under the terms and conditions of the certificate.

V
ORDER

The Commissioner upholds Golden Rule's February 25, 2008, final adverse determination.

Under MCL 550.1915, any person aggrieved by this Order may seek judicial review no later than sixty days from the date of this Order in the circuit court for the county where the covered person resides or in the Circuit Court of Ingham County. A copy of the petition for judicial review should be sent to the Commissioner of the Office of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.

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Ken Ross
Commissioner